



Appendix

E

Stakeholder
Consultation



BOGGABRI COAL

Environmental Assessment



INTRODUCTION

Boggabri Coal is an open cut coal mine located 15 km north-east of Boggabri in the Gunnedah Basin, NSW. Boggabri Coal is a wholly owned subsidiary of Idemitsu Australia Resources and was granted Development Consent in November 1990. Construction of the mine commenced in January 2006 and the first coal was produced in October.

Boggabri Coal has approval to produce up to 5 Million tonnes per annum of saleable coal. Mining is conducted 21 hours per day up to seven days per week by hydraulic excavators, and rear dump trucks. For the calendar year 2008 Boggabri Coal produced 1.4 Million tonnes of saleable thermal coal for export. The mine currently employs 145 personnel, including contractors.

Mining activities are located in the Leard State Forest off the alluvial lands (flood plain) and do not intersect the Liverpool Plains alluvial groundwater aquifer. The Leard State Forest has been recognised to be within an important coal resource area within NSW and as such the *Brigalow and Nandewar Community Conservation Area Act 2005* has been put in place to offset other areas for environmental protection whilst ensuring the orderly mining of this valuable coal resource.

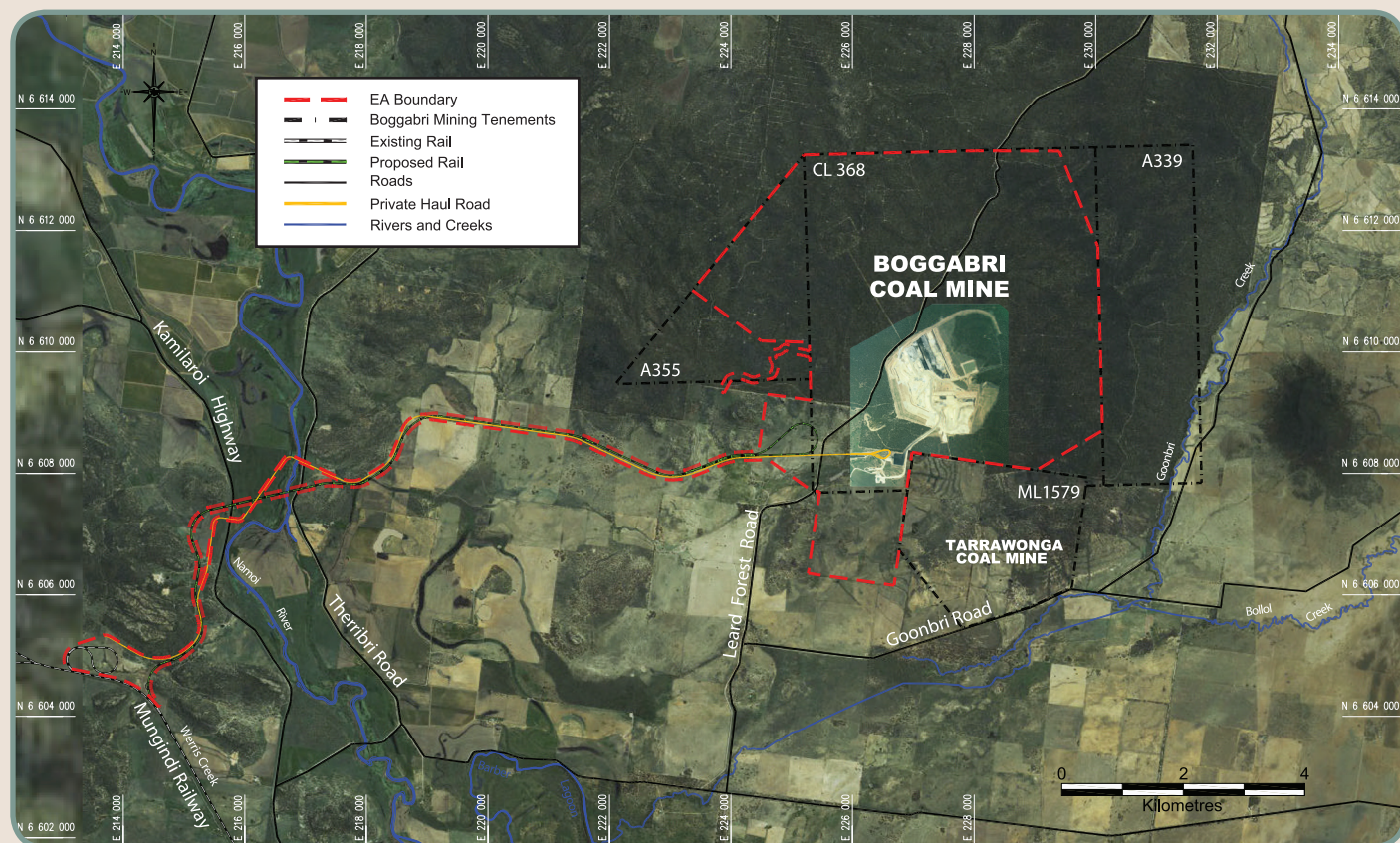
THE PROJECT

Boggabri Coal intends to apply to the Department of Planning (DoP) for Project Approval to recover additional coal reserves within its current Mining Tenement for a further 21 years (The Project). The additional reserves will allow the continuation of mining until 2032. Improvements to the mining method and maintaining currently held mine planning flexibilities will be sought at the same time to ensure Boggabri Coal remains competitive during the mine's life (see Figure 1).

Specifically the Project will provide for a production of saleable coal up to 7 Million tonnes per annum. This will be achieved in a phased approach through the modification of existing infrastructure facilities and additional mining equipment. This will include the construction of additional coal handling infrastructure and administration facilities to support the mining operations. A new 600,000 tonne product stockpile area and associated reclamation system will also be constructed. The Project will require in excess of 300 full time employees and provide opportunities for local business and service providers to the mining industry.

To minimise environmental impacts and assist operational efficiency, detailed mine plans are being developed that incorporate environmental considerations. A final landform plan and final land use options will be developed for the community's consideration as part of the Project.

FIGURE 1 PROJECT LAYOUT





THE APPROVAL PROCESS

Boggabri Coal proposes to submit an application for Project Approval under Part 3A of the *Environmental Planning and Assessment Act 1979* to DoP in early 2010.

The approval's process requires that a detailed Environmental Assessment (EA) be prepared. This work is being undertaken by Hansen Bailey, Environmental consultants. Specialist studies being undertaken as part of the EA include:

- Ecology;
- Water (surface and ground);
- Aboriginal and non-Aboriginal heritage;
- Air Quality and Greenhouse Gas;
- Acoustics (noise and blasting);
- Visual;
- Soils and land capability;
- Geochemistry;
- Traffic and Transport;
- Economics; and
- Social Impact Assessment.

COMMUNITY CONSULTATION

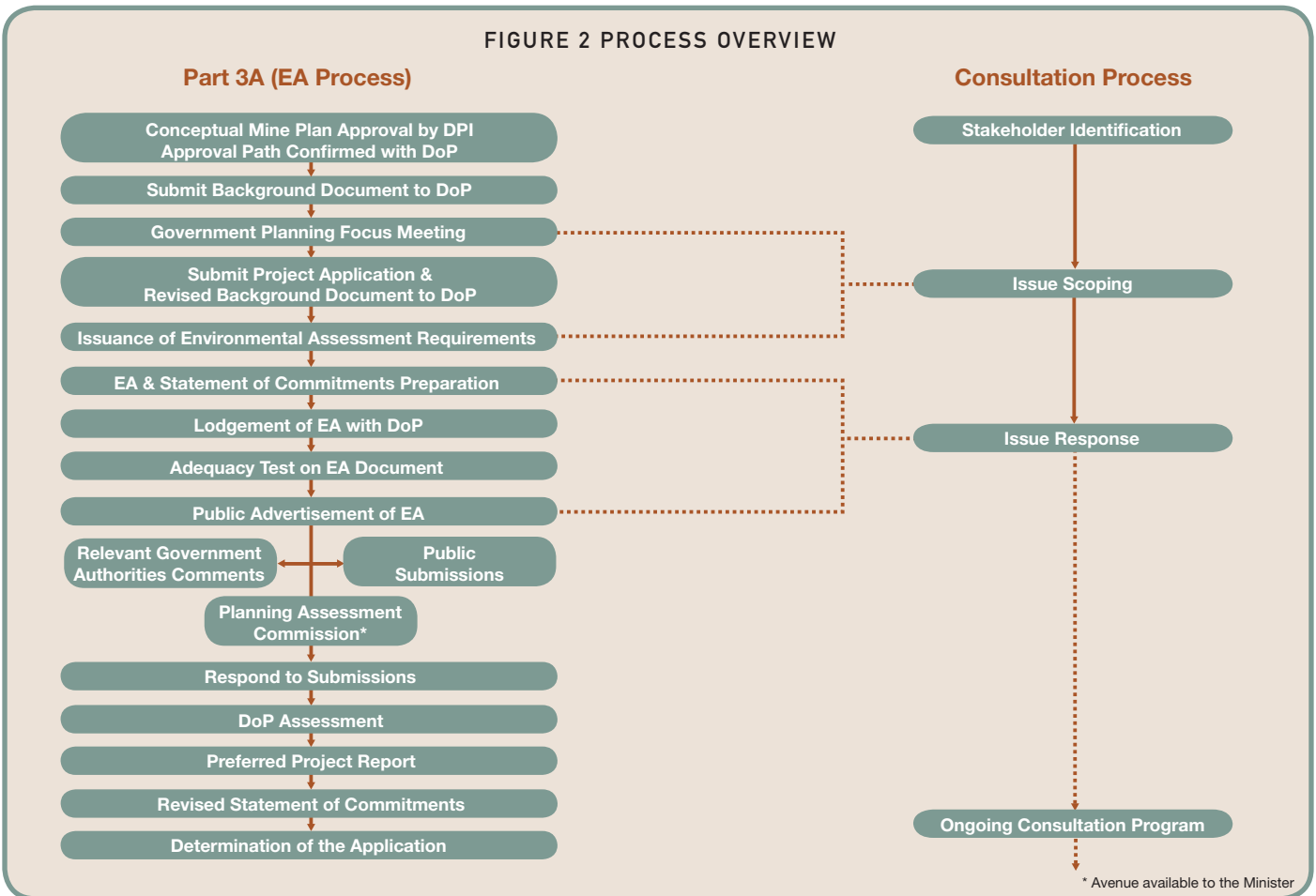
Boggabri Coal is committed to striving for best practice environmental management and maintaining open two-way communication with its neighbours and other stakeholders.

Preliminary consultation has been undertaken with various authorities including: DoP, Department of Primary Industries (DPI), Narrabri Shire Council, Forests NSW and other government regulators.

Hansen Bailey has been appointed by Boggabri Coal to coordinate an independent community consultation program. Community consultation will include personal visits to adjacent neighbours, regular presentations to the Boggabri Community Consultative Committee and the distribution of regular newsletter updates to all interested parties.

The main purpose of the community consultation program is to determine the community's views on the Project, so that they can be carefully considered in the planning approval's process. The best way to keep informed or learn more about the Project is to register your interest by contacting Hansen Bailey. Figure 2 illustrates the process by which Boggabri Coal will seek the opinions of the community in relation to the approval's process for the Project.

FIGURE 2 PROCESS OVERVIEW



FURTHER INFORMATION

If you have any enquiries regarding the Boggabri Coal Project, or the current mining operations, please contact:

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Hansen Bailey

ENVIRONMENTAL CONSULTANTS



AUSTRALIAN RAIL TRACK CORPORATION LTD

1st June 2005

Idemitsu Australia Resources Pty Ltd
PO Box 12694
BRISBANE QLD 4003

Attention: Peter Wilkinson

Dear Peter

ARTC RAIL ACCESS

On 5 September 2004 the Australian Rail Track Corporation (ARTC) commenced a 60 year lease of the Hunter Valley and interstate rail lines in NSW.

Since assuming responsibility for this rail network, ARTC has undertaken a strategic review of the capacity of the rail system to accommodate increasing coal production. To this end ARTC releases annual Hunter Valley infrastructure enhancement strategies setting out how it is planned to ensure rail corridor capacity for the forecast increase in coal production.

These studies identify the constraints on the rail network's capacity in the Hunter Valley and beyond, the options to resolve these and the proposed course of action to achieve the required coal throughput.

ARTC has consulted extensively with the coal mining industry and the port authorities in Newcastle when reviewing its strategy to ensure rail capacity. To this end ARTC has consulted with Idemitsu Australia Resources Pty Ltd (Idemitsu) over its Boggabri Coal Mine and is aware of Idemitsu's plans to seek approval from the NSW Government for an extension of its mining operations from November 2011 for a further 21 years at a nominal production capacity of 7 Mtpa of saleable coal.

ARTC will continue to work with the mining industry to make rail capacity available for contracted volume increases in the production and export of coal from the Gunnedah Coal Basin. As part of this process ARTC will continue to provide rail expansion upgrades to ensure there are no adverse impact on other users of the rail network including existing grain, container and commuter services.

Should you have any queries in relation to this letter, please contact the undersigned.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Dale Macklinshaw', is written over a horizontal line.

Dale Macklinshaw
Manager Hunter Valley Coal & Logistics